
BOARD OF MANAGEMENT MEETING

Date of Meeting	29 March 2017
Paper Title	SFC Indicative Funding for 2017/18 to Region and GCRB Proposed Allocation to the College
Agenda Item	17.12
Paper Number	17.12A
Responsible Officer	Janet Thomson, Vice Principal Resources and College Development
Status	Disclosable
Action	For Discussion

1 Report Purpose

1.1 The Scottish Funding Council (SFC) indicative funding allocation for 2017/18 to the Glasgow Region was announced on Friday 10 February 2017. The SFC funding announcement document and tables are available on the SFC website and are attached. This paper provides some of the key highlights overall and related to the Glasgow Region indicative figure. The allocations to each of the three Glasgow Colleges for main teaching grant using the GCRB proposed funding model have now been prepared by GCRB following significant discussion at the Glasgow Colleges Group Regional meetings. The GCRB paper proposing the three Glasgow College allocations for the main teaching grant and student support funds is attached. Capital grant allocations have yet to be agreed.

2 Recommendations

2.1 Members are requested to review and discuss the SFC Indicative Funding Allocation to the Region and the GCRB proposed allocation to the College for the main teaching grant and student support funds.

3 SFC Funding to the Region

3.1 The SFC indicative funding allocation for 2017/18 includes the following areas:

3.1.1 **Guidance and Policy Priorities** – these are within paragraph 9 of the attached announcement from SFC.

3.1.2 **Student Activity Core Credits Targets** – overall 1,690,618 funded core

credits for the sector and 368,574 core credits for the Glasgow Region which is unchanged from the 2016/17 total. Also in this section of the announcement it is indicated that SFC expect to allocate additional childcare places as part of Scottish Government's budget and it is anticipated that there will be additional funding provided for these.

- 3.1.3 **Main Teaching Grant Funding** – Overall this fund has increased by 2.5% for the sector (see table 2 of the SFC announcement). There has been an across the board increase of 1.8% to all Regions in the SFC funding announcement. In addition to that there is an adjustment to reflect the phasing in of the new “simplified” model (based on credits and price groups) compared to the historic model. However, the movement to the new simplified model has been limited to a maximum of 1% for any Region. This 1% limit has a significant impact to the funding to the Glasgow Region where the difference between the simplified and historical models is £1.885Million higher for the Glasgow Region for the simplified model based on activity within the Region calculated across the price bands being delivered; however, the funding adjustment for this has been limited to 1% which is £810k. Therefore, the overall increase for the Region is the 1.8% plus the 1% hence 2.8%.
- 3.1.4 **Student Support** – The previous base figure before in year redistribution has been increased by GDP inflation of 1.45% however this allocates to the Region less than is projected to be spent in 2016/17 as the region received funds in year through redistribution. SFC have set aside £2M for in year redistribution for 2017/18 and the Region will be likely to seek some of these funds when available. Although the initial student support funding for the Region for 2017/18 of £21.9Million is lower than the 2016/17 figure after in year redistribution of £22.5Million.
- 3.1.5 **Strategic Funds** – These total £17.2Million which is £1.7Million higher than 2016/17. These are to cover a range of “ongoing commitments”. These commitments include a range of areas, the most directly relevant of which for the College/Region are additional English for Speakers of Other Languages activity, additional credits to “meet a long standing commitment related to the Glasgow Curriculum and Estates Review”, and a commitment to carry out a sector wide estates condition survey.
- 3.1.6 **Capital Funding** – Although the total capital funding for the sector for 2017/18 at £47.4Million is significantly higher than for 2016/17 the majority of it is allocated to specific projects/payments the largest of which is £21.5Million for Forth Valley College's Falkirk Campus. The

capital/maintenance grant funding for 2017/18 for distribution to the sector is £20.8Million of which Glasgow Region's allocation is £4.57Million which compares to £3.44Million of the original allocation for 2016/17. The funding allocation indicates that the 2017/18 allocation to the Region has been based on credits; however, future allocations may be on a different basis, i.e. one that is more reflective of actual need and the SFC announcement states that this will be informed by their planned sector estate condition survey. As indicated above the capital allocation to the three Glasgow Colleges has yet to be agreed and will be discussed at the Glasgow Colleges Group Regional Groups to consider to what extent the allocation is based on need rather than credits. GCRB are aiming to have a proposed capital allocation to the three Colleges agreed in May.

4 Regional Funding Issues

- 4.1** The main issue from the SFC indicative funding allocation for the Region is the application of the 1% limit by SFC to the difference between the historic and simplified models. As indicated above this means that the Glasgow Region receives £810k from the uplift towards the simplified credit funding model compared to a difference of £1.88Million. This is an issue as the Glasgow Region is delivering higher cost activity through the price band model than it is being funded for and this mismatch occurs across the sector where some Regions are in a similar position to Glasgow (although Glasgow has the highest impact) whilst some others are receiving more than they should from the price bands model. The GCRB Executive Officer and Chair had made representation to SFC on this matter for 2016/17's allocation when the reduction was £336k rather than £1.07Million and it had been hoped that the limit would be adjusted from the 1% for 2017/18; however, it has not been. There is some discussion with GCRB to agree what action the Colleges/GCRB will take on this for 2017/18.
- 4.2** The second big issue related to this is how these funds are allocated to each of the Colleges within the Region. GCRB have now proposed the allocations to each of the Colleges and is presenting the planned allocations to its Board on 22nd March.

4.3 Finally there is the deduction from the available Regional funding for the running costs of the GCRB. The deduction for 2016/17 was £180k which was shared equally across the three Colleges. The current budget for GCRB for 2016/17 is £245k with the balance over the £180k being met from a carried forward fund from SFC which will run out within 2017/18 and hence the deduction to fund GCRB will be higher in 2017/18 with the proposed deduction figure at the moment being £500k to fund GCRB for 2017/18.

5 GCRB Funding Allocation Proposals

5.1 The funding allocations to the three Glasgow Colleges have now been proposed by GCRB and a copy of the proposed allocation is attached. These allocations are following many discussions at Regional groups at which all parties remain not completely content with various elements of the model however it is transparent and all understand the basis upon which each of the constituent parts is calculated and the funding allocation framework is included in page 4 of the GCRB paper. For Glasgow Clyde College the areas of the model for which we are least in agreement are Extended Learning Support and Historical Efficiencies. For the two other Colleges there are different areas of concern.

5.2 There have been several meetings to discuss the iterations of the GCRB proposed allocations to the Colleges since the SFC announcement in mid-February and the proposed allocation as attached it will be discussed at the GCRB meeting on 22nd March. The proposed allocation for 2017/18 in the attached would allocate £28.674Million to Glasgow Clyde College for main teaching grant which compares to £27.990Million in 2016/17 i.e. an uplift of 2.4%.

5.3 The other aspect of funding shown within the teaching grant allocation is European Social Fund (ESF). This is increasing for 2017/18 however this is for one year only and it will drop significantly for 2018/19 as the current programme comes to an end. The ESF funding for 2017/18 for Glasgow Clyde College in the proposed model is £1.776Million which compares to £1.369Million in 2016/17 however there is additional activity to be delivered associated with the additional funding.

6 Risk Analysis

6.1 There are risks associated with the SFC funding announcement and the College allocation which are mainly financial and relate to institutional

sustainability depending on the total funding available to the Region and the distribution of these funds to individual Colleges.

7 Legal Implications

- 7.1** There are no specific legal implications associated with the SFC Indicative Funding Allocation.

8 Financial Implications

- 8.1** The financial implications are that SFC funding is the main element of the College's annual income. The funding to the Region for 2017/18 is an increase of 2.8% overall however it is essential that this is distributed fairly and to assist in maintaining College's sustainability in a period of rising costs particularly in relation to staffing through national bargaining changes. After the funds set aside for the GCRB costs the uplift to Glasgow Clyde College for the main teaching grant is 2.4%.

9 Regional Outcome Agreement Implications

- 9.1** The Regional Outcome Agreement implications are that each of the Colleges in Glasgow needs to have institutional sustainability and the funding distribution is a key element of this.

10 Has an Equality Impact Assessment Been Carried Out?

Not applicable.